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FROM: Doug Boyer, CPPB
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Arizona State Procurement Office

TO: NIGP Arizona Capitol Chapter Members
Users of ADOA Contract No. A7-0098
Environmental Assessment/Remediation Services

DATE: September 28, 2004

SUBJECT: Southwest Hazard Control, Inc.
International Environmental Corporation
Environmental Management Consultants

The Arizona State Procurement Office (AzSPO) was recently made aware of an Arizona Department of Environmental Quality (ADEQ) News Release dated September 8, 2004 in which it was announced that the above subject companies were issued Notices of Violations (NOVs) for alleged asbestos dumping at a site southwest of Yuma, Arizona in 1992. This News Release was not only issued to local newspapers, but was also posted on the ADEQ website and resulted in a news story carried by a local Phoenix television station.

Because of the resultant publicity and attendant speculation, questions have arisen, both within Arizona Governmental Purchasing Offices, and directed toward the AzSPO, as to the appropriateness of utilizing the above contractors for environmental work under these circumstances. These are legitimate questions; however, please be aware of the following:

1. The three companies named are not being cited by ADEQ for the actual dumping of the asbestos.
2. All three companies have submitted written responses (as required by ADEQ) to the alleged violations. All are contesting the NOVs, due to mitigating circumstances, and are alleging that ADEQ omitted certain and relevant information from the News Release.
3. There is an ongoing investigation being conducted by ADEQ, which may affect the eventual outcome of the NOVs.

Therefore, because no final determination has been made, the status of all three companies is unchanged and none have been found in default.

Also, please note the following:

In a separate (but completely **unrelated** incident), **International Environmental Corporation (IEC)** was recently found to have suspended general contractor's and asbestos removal licenses, based on a routine review with the Arizona Registrar of Contractors. **Both licenses were restored effective September 23, 2004.** The AzSPO has received copies of these licenses. **The suspension was due to a technicality, not to any issue of performance.** The licenses had actually been renewed for nine years, after IEC had purchased the business from another party. However, the Registrar of Contractors requires that when a legal entity changes, new licenses must be filed by the new corporation. This had not been done, and resulted in the suspension. IEC is now contractually in compliance, based on restoration of their licenses, and may be used as before.

Please contact me at doug.boyer@ad.state.az.us (preferred) or (602) 542-9139, should you have further questions.